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#### Upcoming Events

- ✧ No events scheduled. Enjoy the holidays!

#### Connect

- ✧ Join the FIAR Group on milBook at the CAC-enabled site <https://www.milSuite.mil/book/groups/fiar>
- ✧ Visit the FIAR Directorate's website at <http://comptroller.defense.gov/FIAR> for links to FIAR Guidance and other tools, including past issues of Defense Audit Readiness News
- ✧ Become a FIAR Planning Tool user by emailing the [FIAR Support Team](#)

*November is the time we stop and give thanks, and I'm especially thankful this year for the privilege of working with so many energetic and dedicated professionals in pursuit of this important goal. Within our Comptroller team here at OSD, one of those people is Alaleh Jenkins. As many of you know, Alaleh has been providing leadership of the FIAR Directorate for the last 8 months, while essentially also doing her "day job." Fortunately, we haven't missed a beat as we updated our FIAR Guidance; published the May FIAR Report and directed preparation of the soon to be delivered November FIAR Report; and conceived an innovative concept for our future department-wide audits. I can't thank her enough for her exemplary leadership.*

*And sticking with the thankfulness theme, I am especially pleased this month to welcome Margo Sheridan to our team as the new FIAR Director. Margo brings a wealth of experience to the audit readiness table, and we are lucky to have her onboard as we prepare for FY 2015 audits. The first article gives you more information on Margo and her impressive background, and I know you join me in welcoming her to the team.*

*My best wishes to each of you for a safe and enjoyable Thanksgiving holiday. Thank you for all you do!*

*Mark Easton  
Deputy Chief Financial Officer*

#### ✧ **FIAR Directorate Welcomes New Director**

The Honorable Bob Hale, USD(C)/CFO, welcomed Ms. Margo Sheridan as the new Director of the FIAR Directorate. A member of the Senior Executive Service since 2005, Ms. Sheridan brings over 30 years of experience in accounting and financial management to this important position. "Because this position is critical to meeting the Secretary's audit commitment, we are fortunate to add Margo's talent to our audit team," Mr. Hale said in an email to members of the OSUD(C) staff.

Prior to joining FIAR, Ms. Sheridan served as the Director of Financial Operations and Comptroller for the U.S. Coast Guard, leading its audit readiness efforts to success and allowing the Department of Homeland Security to achieve full financial auditability. She has served in senior financial management leadership positions in private industry and at four federal agencies, including the Federal Highway Administration and NASA. She also served as the Director of Financial Reporting Directorate at the Department of the Army.

“[Ms. Sheridan] has proven experience leading a large and complex federal agency and service provider through a successful audit readiness process,” Mr. Hale added. “We expect to make good use of her expertise and experience as DoD approaches important audit goals. ”

Ms. Sheridan has held other civilian and military positions of leadership in the Department of the Army and the U.S. Army Corps of Engineers. She retired with the rank of colonel in the U.S. Army Reserve following 31 years of active and reserve assignments. Earlier this year, she briefed the FIAR Subcommittee on lessons learned at the U.S. Coast Guard. (See the March 2013 edition of Defense Audit Readiness News.) We are pleased to welcome Ms. Sheridan back to the Pentagon—fulltime!

## ✧ **Audit Readiness Awareness and Understanding Way Up at DFAS**

*Submitted by the Defense Finance and Accounting Service*

As the financial and accounting service provider for DoD, the upcoming Statement of Budgetary Resources goal looms large in Defense Finance and Accounting Service (DFAS) employees’ minds. Every time employees open their intranet, an Audit Readiness Countdown Clock gives the days, hours, minutes, and seconds remaining until October 1, 2014.



To coincide with the Countdown Clock, the agency launched training events every 100 days to help DFAS employees understand their roles in becoming audit ready and fostering an auditable environment for years to come. (See the November 2012 edition of Defense Audit Readiness News.) The 30-minute training courses have covered topics such as supporting documentation, internal controls, and corrective action plans.

An internal survey indicates the training is working:

- 94 percent of DFAS employees understand what it means to be audit ready—an 11 percent increase over the year before.
- 81 percent of first-line supervisors report an increase in confidence that they are receiving the correct information and have the tools they need to lead their people.
- 69 percent of DFAS employees reported an increased feeling of being empowered to make decisions and report deficiencies.
- 91 percent of DFAS employees understand how audit readiness affects customers.



## FM Certification and Audit Readiness

*Submitted by the OUSD(Comptroller) Financial Workforce Management Division*



The DoD FM community has delivered first-rate decision support time and again to senior leaders despite furloughs, continuing resolutions, and now a partial government shutdown. With all the competing priorities facing our community, it would be easy to put training and professional development on the back burner. However, the Department has made a commitment to the professional workforce and to the American people to establish greater credibility in the way we do business. Sec Hagel's audit readiness initiative is more than a symbol of this commitment; it is a mandate to meet auditability

standards by established timelines. To meet this imperative, DoD financial managers need to have working knowledge of what being 'audit ready' means for their positions and their organizations.

The DoD FM Certification Program is one way the Department is ensuring its financial workforce gains this understanding. Each level of the DoD FM Certification Program requires members of the FM workforce to take training on audit readiness. The FIAR team developed audit readiness training that was adapted specifically for FM Certification requirements. These courses, Audit Readiness 101, 201, and 301, focus on providing increasingly detailed information on audit processes in accordance with the certification level to which it is aligned.

Audit Readiness 101 provides an introduction to FIAR guidance and describes what "audit readiness" means to our career field. Audit Readiness 201 provides an in-depth review of FIAR methodology and instructs on how to prepare for a financial statement audit. Audit Readiness 301 reviews the importance of automated systems and provides an overview of IT controls and how to test them.

These courses are available through the FM LMS and accessible to financial managers who have already been brought into the DoD FM Certification Program. If your organization has yet to implement the program, you can request in-person training via [osd.pentagon.ousd-c.mbx.fiar-training-requests@mail.mil](mailto:osd.pentagon.ousd-c.mbx.fiar-training-requests@mail.mil).

Bottom line, training and development in technical and leadership competencies will ensure the FM workforce has the knowledge, skills and abilities necessary to meet DoD resourcing challenges and achieve auditable financial statements. The DoD FM Certification Program is the mechanism by which the Department ensures this training is completed. Finally, through common training requirements, the program helps us develop a common language for similar concepts across the DoD making us a more agile workforce, ready for the next fiscal challenge.

If you are curious to learn more about the DoD FM Certification Program and what it means to you, visit FM Online at <https://fmonline.ousdc.osd.mil>.

### ✧ Simply Put: CONOPs

The Department needs to determine how the upcoming financial statement audits will be conducted. The Department-wide audit approach must meet audit standards and also address challenges, such as the size and complexity of the Department. Discussions around the Department-wide CONOPs have already begun. To put the CONOPs (short for Concept of Operations) in plain English:

The CONOPs identifies roles, assigns responsibilities, and defines a cost-effective structure for completing FY 2015 audits.

### ✧ Snapshot

Each Military Department has committed to milestones for achieving audit readiness for each major element or business process for the Statement of Budgetary Resources, such as civilian pay or contracts, and for addressing the existence and completeness of each major category of assets, such as general equipment or real property. The total number of milestones has been updated to align with the milestones tracked and reported in the November 2013 FIAR Plan Status Report. The chart below gives a snapshot of the milestones on which the Services have successfully asserted audit readiness and how many remain.

Military Department	Completed As Of 12/31/2012	Completed As Of 10/31/2013	Future	Total
	Statement of Budgetary Resources			
Army	2	3	7	10
Navy	3	6	3	9
Air Force	3	3	7	10
	Mission Critical Asset Existence and Completeness			
Army	2	2	7	9
Navy	5	5	13	18
Air Force	5	5	12	17

Completed: cumulative milestones completed and approved by OUSD(C) (i.e., not returned for additional work).

Future: milestones to be completed in the future.

Total: total milestones to achieve auditability.

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